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Virginia's Early Money of Account

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● ABSTRACT ●

Ray Williamson's paper reviews the history of the "Money of Account" used by Virginia bookkeepers and others from Jamestown (1607) to the present day. Since the English colonized Virginia, the English terms "Pounds, Shillings and Pence" were used with their Sterling valuations -- at first. However, the evils of Britain's mercantile system deliberately drained most of the hard money from the colonies, who thereafter legally substituted "commodity money." Since Virginia was essentially a one-crop colony, tobacco was legally used for money, and many trading accounts were actually kept in "pounds of tobacco." For money, and the many trading accounts most bookkeeping remained in colonial pounds, shillings and pence -- although the currency soon became tobacco warehouse receipts, rather than the bulky commodity.

The short supply of "hard money" was mostly Spanish-American silver and gold, often obtained by illicit coastal trade with the West Indies and also by piracy. But the names of these Spanish coins never became the "money of account" either by law or by use.

Paper money was frowned upon by the British government, and Virginia delayed issue of it until 1755 -- 65 years after Massachusetts pioneered it in America.

When the American Revolution arrived, the thirteen colonies were still keeping book in colonial pounds, shillings and pence, but they had several widely different valuations for the Spanish dollar (or "piece of eight" reals) in the different colonies. As a result of this chaotic condition, the Continental Congress found it necessary to have one money of account and one set of valuations. So they chose the Spanish dollar as their money of account; their cash was irredeemable paper. The Congress was not yet ready for decimal notation in the fractions of a dollar. So the voluminous account books of the Continental Congress (which still survive in the National Archives) were kept in dollars and ninetieths.

In 1792, the new Congress established a mint, coins, and (more importantly) a money of account which agreed with the coins -- the first time in history. Federal and state books were soon thereafter kept in dollars and cents -- and we might expect that people would go along. But they didn't. Examples of back-country use of the old colonial pounds, shillings and pence with local valuations are cited as late as the 1960's. However, as we know, decimal money now prevails universally.

VIRGINIA'S EARLY MONEY of ACCOUNT**● by Raymond H. Williamson; Lynchburg, Virginia****MONEY OF ACCOUNT - DEFINITION**

"Money of Account" is the system of money units used by people, businesses and governments to keep track of their incomes and expenses, their assets and liabilities, often for long periods of time. "Money of account" was the raw material for the bookkeeping in the counting-house ledgers of colonial merchants and country stores, whereby long-deferred settlements could be achieved amicably. Today, when you write a check, you use a money of account. It is the stuff of which computerized profit and loss statements are made for businesses, and the basis for paying taxes on incomes. This money of account also has been called the "legal-money standard." (Bolles 2-156. See "References Cited", at end).

Today, we have used dollars and cents as our official money of account for so long that we take the units for granted. These accounting units have been in place ready to use ever since 1792, when the new Congress of the United States said they were to be our Federal government's money of account, with coins to match; more about that later.

It is important also to understand what a money of account is NOT. It has little to do with the settlement of accounts outside the area where it is the accepted standard. In such cases, the transaction generally involves two different monies of account having no fixed relation to each other. For example, The Seaby Coin & Medal Bulletin for April 1985 tells us that we can buy old coins from their firm in London, valuing their British money of account (the pound sterling) at \$1.20 in our United States money of account -- quite a difference if you're buying coins in England. Five years earlier, in April 1980, Seaby's valued the pound sterling at \$2.20. Also, especially in the colonial era, transatlantic transactions often carried various discounts, premiums and even interest, because sailboat transportation was so slow. Again, the money of account was only a basis for negotiation in the settlement of debts within its area of acceptance, because such a settlement often involved pieces of paper money which had depreciated in varying degrees -- or pieces of coin at a premium.

All of us who enjoy the pleasures of numismatics should always remember that the coins and paper money we delight in collecting were made to enter, however briefly, into this matrix -- the money of account.

VIRGINIA'S BRIEF STERLING PERIOD

The people who came early to Jamestown beginning in 1607 were English citizens. These colonists brought little money with them, hoping to find gold in Virginia. Captain John Smith, Jamestown leader, wrote about what the first Virginia settlers sought:

"... There was no talke, no hope, no worke but dig gold, wash gold, refine gold." (Beer 15).

We may safely presume that whatever money the early Jamestown colonists did bring with them was made up of English coins such as silver crowns, shillings and sixpences, with an occasional gold piece. Any early expense records they may have kept were surely in the familiar British money of account: sterling pounds, shillings and pence (£/s/d) of the mother country, where 1£ = 20s and 1s = 12d. The settlers didn't find gold in Virginia, and they had their "starving time," but the colony withstood the crises. The settlers had not only to cope with crop failures, Indians and inept local government but also with England's ground rules of the mercantile system for trade -- which required a "balance of trade" favorable to Britain. (Nettels 11). This was not because the British were especially hardhearted or greedy, but rather because the favorable "balance of trade" for the home country had worldwide acceptance as an appropriate and reasonable relationship between the mother country and her colonies. England's mercantile policy has been described as a system of "unconscious ignorance, not of conscious malice." (Beer 9).

However, as a result of the adverse balance of trade, the colonists soon found themselves very short of ready cash and cast about for ways to alleviate their position, so that they could buy ever more goods from England. For over a century, people in Virginia and in the other colonies bitterly complained about the "scarcity of money." While the English mercantile system of trade was mainly responsible for this situation, there was another factor: then as now, people who spent more money than they owned, for luxuries bought on credit, soon found themselves in trouble. The long period when the colonists had such a penchant for living beyond their means has been described as "the spendthrift years." (Mason, Foreward).

While the British mercantile system of trade with her American colonies was fairer to the settlers than the treatment meted out by other colonial powers of that era -- particularly Spain -- the London adventurers did indeed play the game with hardball. In 1623, Edward Misselden described the rules in his The Circle of Commerce:

"If the native (British) commodities exported do

weigh down and exceed in value the foreign (colonial) commodities imported, it is a rule that then the kingdom grows rich and prospers in estate and stock: because the overplus thereof must needs come in as treasure (coin) ... But if the foreign (colonial) commodities imported do exceed in value the native (British) commodities exported, it is a manifest sign that the trade decayeth, and the stock of the kingdom wasteth apace; because the overplus must needs go out in treasure." (Nettels 11).

They saw no form of trade whereby both parties would benefit.

CURRENT MONEY OF VIRGINIA

The Virginia colonists soon learned that one way to ease their shortage of specie was to engage in illicit trade with the West Indies, which generally would result in some Spanish-American silver to jingle in mainland colonial pockets. (Nettels 13; Carothers 22). Another method of securing hard money for the American colonies was quite despicable -- favorable treatment for pirates who were then boldly looting Spanish treasure ships in the Caribbean. (Nettels 87).

The Spanish silver-dollar size piece of eight reales was equivalent to 4 shillings 6 pence (4s/6d) or 54 pence sterling in English reckoning, as confirmed and fixed by Master of the Royal Mint, Sir Isaac Newton in 1704. This valuation was retained for 80 years. (Bullock 17). Other Spanish silver was in proportion. Carothers tells us that this "Spanish dollar," as the English colonists called the piece of eight, is a famous coin "fairly entitled to rank as the greatest historic coin. It was the world's chief coin from 1600 to 1800." (Carothers 21). This Spanish-American Money soon became the predominant hard money of the mainland colonies. They called it "Current Money of Virginia" or "Lawful Money" and gave it legal tender status -- but they did not make it their money of account, which was still £/s/d requiring continuing conversion.

The lawmakers of each colony tried yet another scheme to attract specie, this time with each colony in competition with its neighbors. This device was used, hoping to maintain a supply of coin by raising the legal value of the Spanish dollar above its British equivalent (54 pence sterling) to an arbitrary bookkeeping or money-of-account value of (say) 60 pence, or 72 pence, or even 96 pence -- the fictitious valuation varying widely in different colonies at different times. Thus each colony sought to attract, at the expense of its neighbors, more than its share of hard money from the West Indies trade and from pirates. The reasoning was fallacious, but was doggedly followed in all the colonies for at

least 150 years, until well after the American Revolution. Of course, what really happened when a colony uprated the Spanish dollar was that, after a brief surge of success in acquiring coin, rising prices soon offset the artificially inflated, fictitious valuation. (Nettels 232). The Virginians and other colonials didn't consider their false valuations of the Spanish dollar as "fictitious;" far from it. Virginia accounts and ledgers were maintained at the new valuation because it was by law "Current Money of Virginia." Entries were continued in colonial £/s/d although it was not identified as "colonial." We will discuss this artificial inflation later on.

TOBACCO AS LEGAL-TENDER MONEY

Britain's mercantile system of profiting at the expense of her colonies, to the extent of continually draining off nearly all their coin, resulted in the colonies adopting various commodities and products as legal-tender money at a very early date. Cumbersome as such a system seems, the colonials seem to have had little alternative. To pay taxes, or pay up accounts or buy land, they hauled around vast quantities of produce -- different commodities in different colonies at different times. For example, New Hampshire between 1705 and 1709 used pine boards, barrel staves, barley malt, peas, codfish, pork, beef, wheat, barley, corn and other items to perform the functions of money -- each with its legally-mandated price. (Nettels 210).

By British manipulation and by colonial choice, Virginia was essentially a one-crop colony: she lived on her tobacco crop. Therefore Virginia's commodity money had to be tobacco. Apparently tobacco-as-money had come into being very early on a necessity basis without the intervention of law. The earliest Virginia law on the subject was passed at Jamestown in 1633, banning the use of tobacco as money; the language is revealing:

"Whereas, it hath been the usual custom of merchants and others dealing intermutually in this colony to make all bargains, contracts and to keep all accounts in tobacco and not in money, contrary to the former custom of this plantation and manner of England ...which thing have bred many inconveniencies in the trade and occasioned many troubles as well to the merchants as to the planters and inhabitants amongst themselves. It is thought fit by the Governor and Council and Burgesses of this General Assembly, That all accounts and contracts, be usually made and kept in money and not in tobacco, and to that purpose, It is also thought fit that all pleas and actions of debt ... be commenced and set down in lawful money of England only and in no other commodity ..." (Hening 1-216).

This language is evidence that before 1633, some accounts had already been kept in Virginia using pounds of tobacco as money of account, rather than the usual bookkeeping entries of £/s/d.

Ten years later, tobacco-as-money had been legally accepted. For example a Virginia law was passed setting up a schedule of courthouse fees payable in tobacco only; among others, those of the sheriff:

For an arrest	10 lb. tobacco	
For bond taking	10	
Warning to court	4	
Going to prison	10	
Whipping	20	
Pillory	20 etc.	(Hening 1-268).

Another Virginia law of 1643 made debts payable in specie not pleadable or recoverable at court. The use of tobacco as money was now required rather than forbidden. (Hening 1-262). Various laws in this field were passed during the next 150 years citing tobacco as money, and it is certain that at least some ledger accounts were so maintained with pounds of tobacco as money of account. However, an inspection of a small sampling of the many surviving ledgers of this period, now in the Archives of the Virginia State Library and at the Virginia Historical Society, indicate mixed entries -- sometimes lb. of tobacco and sometimes colonial £/s/d, often mixed on the same page. This type of bookkeeping is confirmed by W. T. Baxter who cites Ninian Boog's ledger 1748-1751 at William and Mary College:

This has a few personal accounts with double columns, in some cases headed "tobacco" and "cash," in others "sterling" and "cash." The tobacco and sterling balances may in the end be translated at suitable rates, into the currency column. (Littleton 279).

This use of tobacco as money seems an exceedingly strange phenomenon to prevail over so many decades. It is incredible that such bulky material was actually lugged into the courthouse to pay taxes and fees, but apparently it was in the earlier years.

In the 1780's Tobacco Bounty Notes were issued by the State Treasurer as rewards to people for certain acts. (Appendix A). Later, Tobacco Warehouse Receipts were issued by a State-appointed Tobacco Inspector for tobacco delivered to a warehouse and retained for exportation. (Appendix B).

An excellent account of the later system of tobacco warehouse receipts or "tobacco notes" used as money was written in 1800 by William Tatham of London. He had lived with the tobacco business

in Virginia for many years, and inspires confidence today that he knew whereof he wrote. He first described entries in the state tobacco inspector's Crop Book in the public warehouse, one line per hogshead, including the planter's special "mark." Continuing:

From the entry, a printed formal receipt or note is filled up, signed by the inspector, and delivered to the proprietor; and it is by this note that all tobaccos are bought and sold, and circulated throughout the continent, in the same manner as bank notes, or current coin; the evidence of a deposit of so much in the public warehouses being there certified officially upon the face of the note, and the current value, or market price, receiving an universal tone from the specified credibility of the inspection where the deposit is made.

This note is therefore a sufficient authority in the hands of the holder, to ask, demand, receive, sue for, and recover, the tobacco or its value, which the note specifies to have been deposited; and when the tobacco is taken away from the public warehouse to be shipped by the merchant, this note is always returned to the inspector as his voucher for the delivery ... (Herndon 76).

But each of these tobacco notes was made out for a large quantity of tobacco, usually a whole hogshead (or more), which by law weighed a minimum of 950 pounds. (Herndon 79). How did a person pay a debt of 50 lb of tobacco, or 10 lb, or 1 lb? Apparently, in the early days, batches of cured tobacco were actually carried about. But a system was soon developed with the aid of clerks of court, sheriffs and others who received tobacco-money in dribbles. When they brought these odd lots to the tobacco inspector, he issued as many as desired of a "transfer" tobacco note series for small amounts. According to Tatham: "A kind of circulating medium is issued upon this deposit (of tobacco) by certain officers of government, whose good faith and responsibility ... render the warehouse of Virginia the best banks in the state." (Hening 9-158; Herndon 86; Hooper 12). To date, no specimens of "transfer" tobacco notes have been located.

Other Virginia commodities and products beside tobacco were at some times and places used as money. Such were roanoke and wampumpeke or wampum, following the practice of the Indians. (Hening 1-397; Bruce 2-520). Beaver skins were used in Eastern Shore counties in 1637. (Bruce 2-521). The cultivation of hemp was financially encouraged by a legal bounty as early as 1633 and for decades thereafter as a naval-stores export for the making of sail cloth. The bounty certificate received by the grower at the courthouse was payable by the General Assembly out of the public

levy, and was circulated as money. Even during the American Revolution, hemp certificates were receivable for taxes in Virginia. (Hening 10-508, Nov. 1781). A law of 1782 (Hening 11-98) made clear the currency aspects of the hemp certificates, which were called "inspectors' receipts" and the penalty for counterfeiting them (death, without benefit of clergy). The actual format of the hemp certificate was prescribed by law as late as 1790. (Hening 13-167; Bruce 2-456). In passing, the reader should be aware that hemp (*cannabis sativa*) was more commonly known by the European Crusaders of the 12th century as hasheesh, and in America today as marijuana. (A fine numismatic collector's item: eighteenth century inspector's receipts for marijuana, redeemable by a levy of the Virginia General Assembly! Unfortunately, no specimens have, to date, been located).

But none of these odd forms of money, save only tobacco, rated any alteration in the Virginia money of account; it was still £/s/d.

THE MONEY OF VIRGINIA'S NEIGHBORS

We have noted the competition between colonies as to who dared to raise the fictitious value of the Spanish dollar the most, above its sterling value of 54 pence. As would be expected, the English government finally placed an upper limit on the fictitious valuation; Queen Anne's proclamation of 1704 mandated that the standard piece of eight of 17.5 pennyweights should not pass in any colony at more than 6 shillings (72 pence) colonial money of account. While Virginia honored this ceiling for all of the colonial period, New York, New Jersey, Pennsylvania, Delaware, Maryland and the Carolinas found ways to honor Queen Anne's proclamation in the breach by passing laws to receive the Spanish silver as bullion at so much an ounce, thus justifying fictitious valuations of the Spanish dollar as high as 96 pence in the New York area and 90 pence in the Pennsylvania area. In fact, colonists in the Pennsylvania area identified their currency as "proclamation money" or "proc", even on their law books, altho it was really valued 25 percent higher than was permitted by the proclamation. (Nettels 242).

Around 1760, most of these varying fictitious values of the Spanish dollar throughout colonial America settled down to long-term valuations which lasted in most colonies until long after the American Revolution. But unfortunately, these rates did not stabilize at the same figure in all thirteen colonies, there being three different widely-used ratings for the dollar, plus special considerations for those of Georgia and South Carolina:

Spanish Dollar Equal To, in Money of Account	Used In	Name of Money
54 pence (4s/6d)	England	Sterling
56 pence (4s/8d)	So. Carolina #	So. Carolina Money
Money	Georgia	Georgia Money
72 pence (6s/--)	Virginia, Massachusetts, Connecticut, Rhode Island, New Hampshire	Lawful Money *
90 pence (7s/6d) money,	Pennsylvania, west New Jersey, Delaware, Maryland	Proclamation Money, or "Proc"
96 pence (8s/--)	New York, east New Jersey, No. Carolina	York Money

South Carolina stabilized in the 1780's, later than the other colonies; its earlier valuation had been 390 pence. (Newman 414; Boyd 7-166; Pike 123).

* The generic name for colonial money valued at 6 shillings to the dollar was "Lawful Money" as used in George Washington's account (Figure 1); in Virginia, it was called "Current Money" in the law and on treasury notes. (Hening 4-50; Newman 390).

It is easy to see that a person traveling among the colonies must be prepared to make many money conversions. George Washington faced this problem when he traveled about the colonies as Commander in Chief of the armies of the rebelling colonies, 1775-1783. Appendix C shows a few sample entries of his expense account for this period. (Washington 20). Note his conversions from Dollars to "Lawful," or Current Money of Virginia; also from "York" money to "Lawful." Schoolboys were required to learn these inter-colonial money conversions by rules rather than by reasoning. (No "new math" then!). A widely used arithmetic taught the student to perform the "York-to-Lawful" conversions thus (they called it "reduction"):

"Rule. Deduct one fourth from the New York (Pike 115).

And to convert "dollars" to "Lawful Money" of Virginia:

"Rule. Multiply the Federal money by 3, and, if it consist of dollars only, cut off 1 figure; if of cents also, cut off 3; and if of mills, 4 figures at the right hand; then reduce the figures so cut off to farthings, each time cutting off as at first; and the left hand figures are pounds, shillings, &C." (Pike 113).

Pike's Arithmetic states the rules and gives examples of these two conversions plus 67 other similar money-conversions. Any kids who mastered all this math surely were not "functionally illiterate," and what a help a hand-held calculator would have been to them!

MONEY OF THE CONTINENTAL CONGRESS

When the Continental Congress met at Philadelphia in 1775, they reviewed the chaotic spread in the valuations of the Spanish dollar among the different colonies. They promptly decided that their very first issue of Continental paper money should be valued in the actual coin of the country -- "Spanish Milled Dollars," and from that time to the present day, the accounts of the Federal government have been kept in dollars. Although this landmark measure had little influence on business practices, state accounts, or private transactions, it did familiarize many people with calculations in terms of dollars. (Carothers 38). To complete this vital transformation in money of account, it was necessary to consider what to do with fractional dollars -- especially when determining denominations for paper money less than a dollar. Decimal valuation did not yet prevail; rather, the figures to the right of the "decimal point" in the Continental accounts were in awkward ninetieths of a dollar. (Appendix D). The Continental Congress was meeting in Philadelphia, and the money of account of Pennsylvania and its neighbors valued the Spanish dollar at 90 pence. Hence the "ninetieth" of a Continental dollar was a Pennsylvania penny. The following year, when the Congress got around to issuing fractional paper money, the denominations chosen were $1/6$, $1/3$, $1/2$ and $2/3$ of a Spanish dollar, corresponding to 15d, 30d, 45d, and 60d Pennsylvania proclamation money. (Appendix E). Since there were no corresponding Spanish coins in existence, the result was an utter mishmash, driving out the Spanish fractions at once. (Carothers 39; Newman 37). The Continental paper money inflated so rapidly that there was no need for further issues of fractional bills.

The Federal ledger books under the Continental Congress, 1775-1789, survive today in Record Group 104 of the National Archives. The money of account is dollars and ninetieths throughout. The volumes are enormously large and heavy. They are far more detailed than the early financial records of the United States under the Constitution, beginning in 1789. They are a unique and voluminous source of historical data, when one learns to chase an account from the initial entry in the Waste Book, through the Journal book, and then into the Ledger book. Virginia, as the oldest, largest and most populous colony in the new Union of States, has her share of entries in the big books. Away from Congress, the rest of the country continued to keep book in £/s/d as the money of account as it had done most of the time for a century and a quarter.

COLONIAL VIRGINIA'S CASHLESS SOCIETY

A recent scholarly study of "Accounting in Colonial America" describes the financial system of Colonial America in general as one of "bookkeeping barter." (Littleton 272). "Bookkeeping barter" is not like real barter, as when a savage trades a spear for a pig. Bookkeeping barter may best be illustrated by an example. Suppose both farmer Patrick and farmer Henry have charge accounts at a country store, where each farmer buys and sells products. Further suppose that farmer Patrick owes farmer Henry £10 current money. The obliging storekeeper, if requested, will cancel this indebtedness of Patrick to Henry by adjusting the charge account balance of each one, one up and one down. No money has changed hands. Also, if over a period of years both Patrick and Henry sell about as much to the country storekeeper as they buy from him, no hard money need ever change hands, except to close out the account when an estate settlement intervenes at the death of one of them.

Similar arrangements were often made for transatlantic transactions, by means of the bill of exchange. Such bills sometimes passed through several hands, like paper money. Promissory notes passed from hand to hand locally. The extent of the transatlantic credit extended to American buyers by British companies and their American agents before the American Revolution is shown by the tremendous number of claims for unpaid accounts presented officially as "The British Mercantile Claims" after the war. A summary of this series of claims has been running in The Virginia Genealogist since 1962, about 275 claims published per year, and the end is not yet in sight. A very rough estimate, made after consultation with editor J. Fred Dorman is 8000 claims total for Virginia alone.

And, of course, there was paper money. Massachusetts pioneered the use of paper money in 1690, and all the other colonies except Virginia had issued such notes by 1735. Virginia took seriously the aversion of the mother country to the colonial note issues, and delayed her entry into the game until 1755. (Newman 384).

Of course, some small cash was needed in Virginia to pay the innkeeper, the ferryman, the toll-road collector and for similar expenses, especially those encountered when traveling far from home. To this end, the Mexican fractional silver was generally used. A popular coin was the "nine-penny bit;" that is, the Mexican 1 real piece or bit, being one-eighth of a Mexican dollar or one-eighth of 72 pence, the Virginia valuation of this dollar; hence worth 9 pence.

A coin even more frequently seen was the Spanish (not Mexican) trade coin, the pistareen, worth 1 shilling 3 pence in Current Money of Virginia. This coin was so well known that when Virginia issued treasury notes at the outbreak of the Revolution, one of

the issues of 1775 was a 1s/3d Pistareen note (Appendix F), or PISTEREEN as spelled on the note. The Virginia treasury notes issued in 1775 included not only this 1s/3d (15 pence or pistareen) note, but also notes for 30 pence, 60 pence and 90 pence Current Money of Virginia. Thus their values were 1, 2, 4 and 6 pistareens, although the name of the coin appears only on the lowest denomination. The name "pistareen" never appeared on a coin, but probably came from camp Spanish for "little peso," although it is not a regularly formed Spanish diminutive. The coin is nominally 2 reales or one-fourth of a Spanish dollar, but its silver content was nearer one-fifth of a dollar, and it later passed in the United States at 20 cents up to 1827. (Chalmers 395). It was minted in great quantities to be used for colonial exploitation. This pistareen was often cut in quarters for still smaller change. (Pridmore 26, 203).

But the pistareen did not affect the money of account of Virginia. It was entered as 1s/3d in the ledgers for many a year after the Revolution, while the heavier Mexican 2 reales coin went at 1s/6d Current Money of Virginia.

THE SLOW TRANSITION TO "FEDERAL MONEY"

Thomas Jefferson and Alexander Hamilton deserve about equal credit for their far-sightedness in promoting and establishing the coins and money of account of the new United States on the decimal system of dollars and cents, in 1792. This was one of the very few things on which they did agree -- Hamilton being particularly irritated when Washington handed the new Mint to Secretary of State Jefferson instead of to Hamilton, who was Secretary of the Treasury. Very significant is the final paragraph of the U.S. coinage law of April 2, 1792, which is the same law which specified our decimal coins and established the Mint at Philadelphia. Carothers tells us that this final paragraph "declared that the official money of account in the United States should be dollars, dismes, cents and milles. This was not a command to the people that they use this method of accounting. It was a suggestion to the public, as well as an official pronouncement that the government would use the decimal system in all its transactions. It was probably thought that private business would be influenced by the official example." (Carothers 64). For the first time, our money and the money of account were to be one and the same.

After a reasonable time, all Federal offices were keeping their books in dollars and cents. School arithmetic books featured conversion methods and rules for changing all the different state moneys of account into Federal money of account. (Pike 382).

In Virginia, the General Assembly passed an act December 19, 1792, "That the money of account of the Commonwealth shall be expressed

in dollars or units, dismes or tenths, cents or hundredths, and milles or thousandths ... and that all accounts in the public offices shall be kept in conformity to this regulation." Also, since in 1792, no Federal coin had as yet been minted, Spanish milled dollars were made a legal tender in Virginia "at the rate of six shillings (72 pence) or 100 cents." (Hening 13-478). This Virginia law was followed by another act passed December 28, 1792, providing for the republication of the Laws of the Commonwealth, including this language:

"Where any of the laws of the Commonwealth express any sum ... of money in pounds, shillings and pence, the clerks of the several courts within this Commonwealth in all process, entries, and orders respecting the same, shall reduce such sums ... of money into dollars and cents; and where any quantity ... of tobacco shall be expressed in the same laws, the clerk shall in like manner, reduce the same into dollars and cents, at the rate of two dollars per hundredweight." (Hening 13-533).

A few years later, Amherst County near my home in Lynchburg followed the General Assembly by submitting their annual land-tax report for 1798 to the state in dollars and cents, rather than in £/s/d as theretofore; Bedford and Campbell counties followed in 1799 (VSL).

So one might conclude that the transition to dollars-and-cents bookkeeping was quietly taken care of by all concerned by the end of the 1700's. NO WAY! Baxter tells us that throughout the new states:

"The date at which a bookkeeper switched from £/s/d to \$ was entirely a matter of his own whim. The change was usually made at some point during the fifteen years between 1795 and 1810. The break was not always a clean one; a few accounts might still be kept in the old units after the others had been changed to the new. An inner column was sometimes used for \$s and an outer column for the pound equivalents; or the narrative might state the amount in \$s, whereas the column translated these figures into the more traditional ... units." (Littleton 287).

All of Baxter's statements were personally verified for Virginia by inspection of a good sampling of the several hundred old surviving nineteenth-century account books and ledgers at the Virginia Historical Society (VHS) and the Virginia State Library (VSL). Appendix G shows some transitional bookkeeping entries of William Clarkson of Fauquier County, 1809-1812. (VSL). What a giant step forward this was, a change in the clumsy £/s/d money of account which had prevailed for centuries to a simple decimal notation. Its impact was perhaps comparable to that of the

Virginia law of 1807 which required that all persons riding on horseback or driving a cart or carriage keep to the right except when passing. (Henning 3 of 2nd Series p 385). For obvious reasons, the drive-to-the-right law was more promptly embraced.

We must also remember that the "old ways" are most tenaciously retained by people living in rural areas, such as those who bring produce to public markets. No Virginia ledgers of the 1800's seem to have survived for such people, probably for the excellent reason that none ever existed; ledgers were for the wealthy. But, incredibly, there is solid evidence that the £/s/d/ money-of-account thinking continued among the less affluent people until well after the Civil War, rating the shilling at the colonial rate of six to the dollar, or 16-2/3 cents each. Such evidence appeared in an August 6, 1963 Lynchburg newspaper column "Seen and Heard" by David Wright in The Daily Advance. Quoted extensively in this column was E.L. Smithson of 1108 Polk Street, who recalled:

"It might surprise you to know that there were a lot of people around Lynchburg who (referred to monetary units in shillings and pence) right up to the early 1900's. They were mostly country people -- white and colored -- who traded at the Old City Market. You'd maybe ask them the price of a small broiling chicken and they'd say "a shilling." You were supposed to know that they valued a shilling at 16-2/3 cents. So you'd pay them 17 cents, since there was, of course, no 2/3 cent. Another monetary term they used was "ninepence." They valued a lot of their produce at "ninepence" -- and the valuation they gave it was 12-1/2 cents. I've heard them use those and other British monetary terms many a time, and they didn't seem to think there was the least thing odd about what they were saying."

Again we hear of the "nine-penny bit" or Mexican 1 real coin, worth one-eighth of a dollar or 12-1/2 cents.

Still further evidence of a long-term carryover of the colonial terminology results from personal experiences in my own lifetime. I well remember my grandmother, Phebe Wood Cooler, having grown up in the same household where she lived. She was born in 1845. Out in Iowa, about 1921, I recall her asking me to go to the grocers to get a shilling's worth of sugar. As a tyro coin collector, I questioned her as to the nature of a shilling and what it was worth. She replied that there would be two shillings in a quarter dollar. To her, this was a reasonable answer, since she had spent her young womanhood in Erie County, New York, where she was married in 1871. The colonial New York money of account was still talked of there; it rated the dollar at eight shillings, so a quarter dollar would be two shillings.

Again, about 1964, after I'd become more interested in colonial shillings, I stopped at a well-kept country vegetable stand on New Jersey Highway 33, about 15 miles west of Freehold, and asked the ancient proprietor if he remembered as a boy country people using "shilling talk" in their trade, and he said he did. To my question "How many shillings went for a dollar" he immediately replied "eight shillings;" again York shillings. He had lived there in the New Jersey countryside all his long life, well east of the ancient line dividing colonial New Jersey into "East Jersey" and "West Jersey" colonies; in East Jersey where he grew up, New York money had been used long ago.

Closer to home, on two occasions about 1962, I asked Lynchburg people, in their eighties, questions about colonial money terminology heard in their childhood in this area. These people were Maxine Wood Anspaugh, formerly a librarian, and Boyd Burnley, a retired employee of the Appalachian Power Company. Both remembered that six shillings went for a dollar, and Burnley volunteered that a commoner term was again the "nine-penny bit;" and two bits would make a quarter!

So murmurings of the colonial Virginia £/s/d money of account were still being whispered in the third quarter of the twentieth century. How firm are long-implanted habits! The blessings of Tom Jefferson's decimal money were sometimes slow to be fully appreciated.

The overview of the Virginia money of account here presented has been of superficial thinness in places, because it has covered some relatively "unplowed ground." If any reader notes errors or has additional information, a note from him would be most welcome.



Raymond H. Williamson
Lynchburg, Virginia

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Appendix A

TOBACCO BOUNTY NOTES

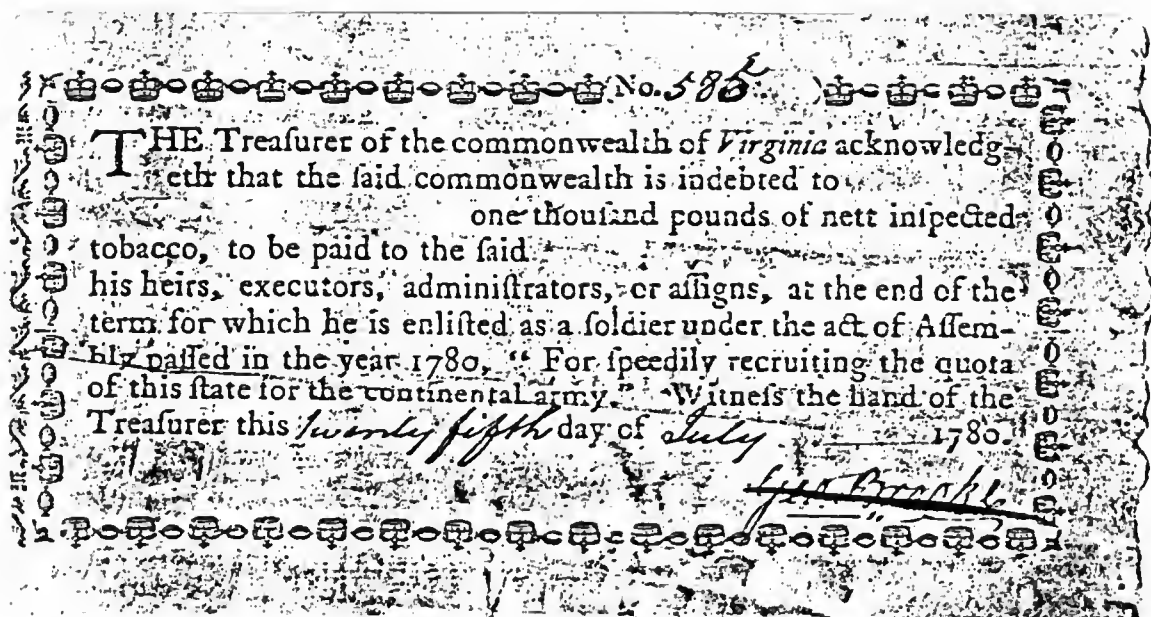


Illustration full size.

Credit: The Archives and Records Division,
Virginia State Library, Richmond, VA.

Tobacco Certificate; Series: Inspectors of Flour & Tobacco;
Office of Auditor of Public Accounts; Record Group 48.

These notes were issued by the State Treasurer of Virginia to reward people for certain acts; they have only been pictured twice before (the same identical note each time) in the literature. No bounty notes for hemp have surfaced to date.

Characteristics of these notes are:

- (1) Issued as a printed form for redemption in a round-figure weight (say 1000 lb) of tobacco.
- (2) Includes printed language indicating it may be passed on to "heirs, administrators or assigns" -- and thus may circulate indefinitely.
- (3) No identification of a specific hogshead or lot, but notes are serially numbered.
- (4) No statement as to type or quality of tobacco, except that it is "inspected."
- (5) No location of warehouse.
- (6) No £/s/d valuation given.
- (7) Issued as a reward for military service, for raising hemp, or for -- who knows? Maybe for killing wolves or rattlesnakes!

Appendix B

TOBACCO WAREHOUSE RECEIPT NOTES

Orapto R I V E R,
Orapto Warehouse, the *8th* Day of *August* 179*2* *Swc*
 RECEIVED of *Joseph Smith*
 Sweet Scented. || || Oronoko.
 Leaf. || Stemmed. || Leaf.
 Marks. No. Grois Tare Nett. || Grois Tare Nett. || Grois Tare Nett.
5 *1142* *1* *1* *1* || *1* *1* *1* || *1104* *110* *994*
 hoghead of crop tobacco,
 marks, numbers, weight,
 and species as per margin;
 to be delivered by us to the
 said
Smith
 or his order, for exportation
 when demanded. Witnesses
 our hands.
Wmms & Wadman

Illustration 80% of full size.

Credit: The Archives and Records Division,
 Virginia State Library, Richmond, VA.
 Tobacco Certificate; Series: Inspectors of Flour & Tobacco;
 Office of Auditor of Public Accounts; Record Group 48.

Such notes were issued by the State-appointed Tobacco Inspector at a named warehouse for tobacco delivered there and retained before exportation. Characteristics of these notes are:

- (1) Issued generally for one numbered and owner-marked hoghead of tobacco for actual net weight -- often well over 1000 lb; sometimes several hogheads are listed, each on a separate line of the form.
- (2) In the 1790s at least, the notes were not serially numbered.
- (3) They include printed language indicating that circulation of the tobacco receipt was appropriate: the Inspector would deliver the warehoused tobacco "when demanded ... to the said (grower) or his order for exportation."
- (4) Type and quality of tobacco were indicated by the Inspector's selecting the correct box on the form for making his entries.
- (5) No £/s/d valuation given.
- (6) While no maturity date is mentioned, it must have been implicit in the transaction that the receipt must be presented at the warehouse in a reasonable time, before the tobacco quality or weight became degraded significantly. (I was unable to locate the reference to the 12-or 18-month maximum I thought was specified in the law, or elsewhere. Perhaps the maximum time for turning in the receipt was even less than 12 months).

GEORGE WASHINGTON'S EXPENSE ACCOUNT

	Gork	Livestock
1776 Aug By am ^d brod forward £200 —	£200 —	267-7-9
Oct 9 By Cash from the Pay: Master Gen. 1000 Id. 300 —	—
Gork Cur T. 2nd Lt Lamb ^r .	£200 — .50 —	297-7-9
Amount of the money rec'd from the Public in the Years 1775 & 6)	3126-7-9
By Bal ^e due G. Washington & acc'n to acc for 1777	599-4-11
		£3726-7-8

George Washington's Expense Account, in his own hand. A part of his 52 page account for the Revolutionary War period, 1775-1783. On this "Credit" summary at the end of 1776, he had to maintain two monies of account: "York Money" at 8 shillings to the Mexican dollar, and his own "Lawful Money" of Virginia at 6 shillings to the Mexican dollar. Note his conversion of £200 York Money into £150 lawful money. Try the conversion yourself. From Fac-similie of Washington's Account with the United States (1833).

SAMPLE ADDITION -- DOLLARS & NINETIETHS

U.S. GOVERNMENT MONEY OF ACCOUNT 1775 - 1789
DOLLARS AND 90TH'S

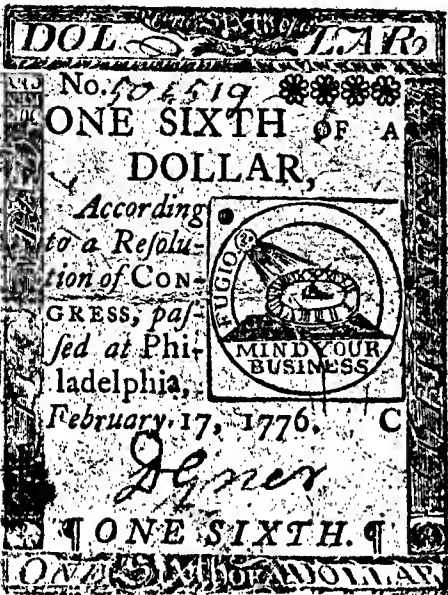
	\$ 111.82	
	12.00	
SAMPLE	39.80	$(\frac{\$297}{90} = \$3\frac{27}{90})$
ADDITION:	43.75	
	26.60	
	<u>\$ 234.27</u>	$= \$234\frac{27}{90}$

SEE U.S. GOV'T DOUBLE-ENTRY ACCOUNT BOOKS, 1775-1789,
NATIONAL ARCHIVES, RECORD GROUP RG-104.

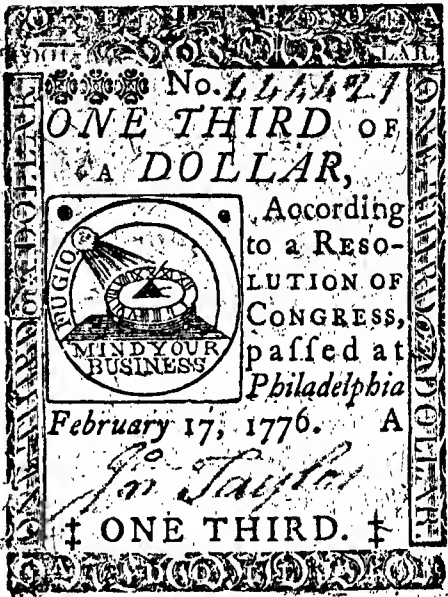
The Federal Money of Account during the Continental Congress (1775-1789) was Dollars and Ninetieths. Try the addition yourself!

Appendix E

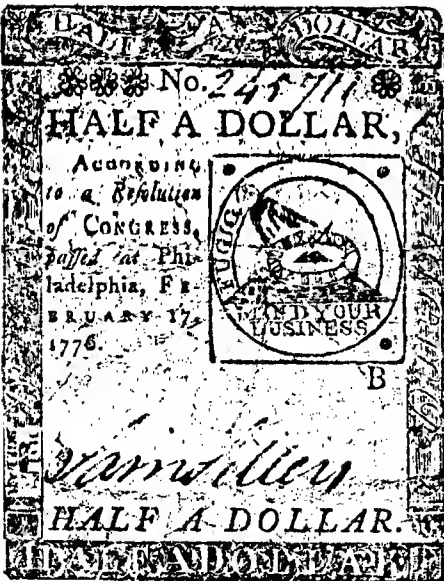
CONTINENTAL FRACTIONAL PAPER MONEY



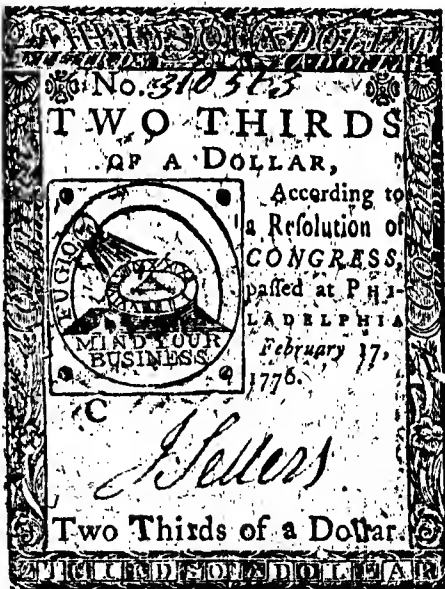
1/6 \$ = 15 d.



1/3 \$ = 30 d.



1/2 \$ = 45 d.



2/3 \$ = 60 d.

Appendix F

VIRGINIA "PISTEREEN" NOTE, AND PISTEREEN



Virginia 15-Pence "Pistereen" Note of 1776.

Illustration full size.



The "Pistereen", a light-weight Spanish (not Mexican) trade coin of 2 Reals, worth 15 pence ("Current Money") of Virginia.

DOUBLE-ENTRY VIRGINIA LEDGER PAGE

[illegible]

Double-entry Virginia Ledger Page, 1809-1812. Frequent conversions of Federal Dollars to the long-familiar "lawful money" of Virginia, at 6 shillings to the dollar, was still going in 1812. For the bottom line, the old £/s/d money of account prevailed. (Courtesy of the Virginia State Library, Acc. No. 25347. Business Records of William Clarkson of Fauquier County).

Arrows indicate lines containing double-entries of \$ and £.



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